

## **H.R. 1838 – The Women’s Business Centers Improvements Act of 2009**

### **Section 1. Public Notification of Grant Awards**

This section requires SBA to annually report publicly on its website the grants made to women’s business centers. This shall include the amount of the annual grant, the total number of years since its inception that a center has won an SBA grant, how much funds it has received in total from the SBA over its lifetime, as well as the total private matching funds raised over its lifetime.

### **Section 2. Establish a communications and reimbursement policy and process**

This section requires the SBA to establish by regulation a standardized process to communicate with women’s business centers regarding program administration matters, including reimbursement, regulatory matters, and programmatic changes. Women’s business centers shall be given notice and an opportunity to comment on this regulation. In addition, women’s business centers shall receive funds not later than one month after an award has been announced.

### **Section 3. Funding**

This funding formula eliminates the distinction in current law between funding and the sustainability pilot program. This section classifies women’s business centers into three separate tiers.

The bill allocates 40 percent of available funding to new centers, i.e., to areas where an existing center has not been funded. Each grant, subject to the revised matching formula, is limited to \$150,000 per center. Second tier grants (allocated 20 percent of available funds) will last for three years and are available to existing centers that have completed their original five years of funding. In recognition of Congressional intent that women’s business centers were to become self-sustaining, this section reduces the size of federal grants to Second Tier women’s business centers from \$150,000 to \$100,000. The remaining 40 percent of funds will be made available to women’s business centers that have exhausted their Second Tier Grants. Third Tier Grants will last for three years but are renewable for as long as the center meets the criteria for obtaining a Third Tier Grant. The size of Third Tier Grants is limited to \$100,00 and certain benchmarks must be met to obtain and continue to receive such grants.

Performance requirements are established for those centers reapplying for Third Tier Grants. In making allocations for Third Tier Grants, the Administrator shall develop benchmarks that include total women served by center, proportion of low-income women and socioeconomic distribution of clients served by center, proportion of individuals in community that are socially and economically disadvantaged (based on median income for both rural and urban areas), future fundraising and service coordination plans, diversity of services provided, and regional distribution within SBA’s 10 regions.

In addition, this section makes changes to the matching formula. Women's business centers do not receive all of their funding from federal grants. Rather, they are required to obtain matching funds from non-federal sources. This section revises that matching formula to only requires women's business centers to obtain one dollar in non-federal funds for every two dollars in federal funds during the first and second year of operations. Thereafter, the matching requirement is a dollar for dollar match unless a center is serving a very low-income area (one in which at least 50 percent of the population is below the median income for the State or U.S. territory in which it is located). For centers serving a high concentration of lower income individuals, such women's business centers need only obtain one dollar in non-federal dollars for every two dollars of federal grant money.

This section authorizes funds for women's business centers for \$20 million in fiscal year 2010 and \$22 million in fiscal year 2011.

#### **Section 4. Performance and Planning**

This section establishes performance measures for women's business centers, taking into account the demographic differences of populations served by the centers. Such measures shall include outcome-based measures of the amount of job creation or economic activity generated in the local community as a result of efforts made and services provided by each women's business center and service-based measures of the amount of services provided to individuals and small business concerns served by each women's business center. The Administrator's evaluation of women's business center as required by subsection 29(h) shall be in part based on these this subparagraph's performance measures. These measures and the Administrator's evaluations thereof shall be made publicly available.

In addition, this section requires women's business center to submit an annual plan for the next year that includes the center's funding sources and amounts, strategies for increasing outreach to women-owned businesses, strategies for increasing job growth in the community, and other content as determined by the Administrator. The Administrator's evaluation of women's business center as required by subsection 29(h) shall be in part based on these this subparagraph's planning requirements. These measures and the Administrator's evaluations thereof shall be made publicly available.

#### **Section 5. National Women's Business Council**

This section authorizes funds for the Council at \$1 million for each of fiscal years 2010 and 2011 and requires specific studies on women's entrepreneurship. This includes a study on the impact of the 2008-2009 financial markets crisis on women-owned businesses and a study on the use of SBA's programs by women-owned businesses.